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Celia Nogales
Director - Federal Relations

June 27, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RECEIVED

JUN 27 1996

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

Re: **Ex Parte Statement**
CC Docket 93-162

Dear Mr. Caton:

On June 25, 1996, Dan Fling, Director - Federal Regulatory Planning and Policy and I met by conference call with Carol Canteen and Dick Kwiatkowski of the Competitive Pricing Division. The purpose of the discussion was to respond to inquiries regarding non recurring charges and our direct case in the above referenced proceeding.

Direct non recurring cost data for Special Access High Capacity service are being provided at the request of the Commission's staff. Standard non recurring charges apply to those Special Access circuits which are interconnected to an alternative exchange carrier via collocation arrangements, and are established at rates which, together with the recurring charges for the Special Access circuit, recover the direct costs of the service plus a contribution to joint, common and residual costs reflecting the competitive market for digital services. These costs are incurred for the design and provisioning of any Special Access circuit, whether interconnected or not, and are not related to the costs of interconnection or collocation. The Special Access elements are not comparable to the more disaggregated collocation elements, and are only available as a total service. Furthermore, they are priced in response to a competitive market and in compliance with Price Cap rules rather than any cost plus allocation standard. Therefore, it is inappropriate to attempt to infer an overhead overloading factor on any individual rate element. As Ameritech has previously stated, the reasonableness of interconnection rates can and should be evaluated independently from any contribution provided by competitive services. Application of the average amount of contribution for all Special Access services should be considered a prima facie demonstration that the rates are reasonable.

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Mr. William F. Caton

June 27, 1996

Page Two

The attached material was used as part of our discussion.

Sincerely,

A handwritten signature in cursive script, appearing to read "Selia Reyes".

Attachment

cc: C. Canteen
D. Kwiatkowski

ERI
AMERITECH
SERVICES

JOHN C. LITCHFIELD
Assistant Vice President
Tariffs and Costs

Floor 22
10 South Wacker Drive
Chicago, Illinois 60606
312-558 3396

April 2, 1990

Transmittal No. 442

Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Attention: Common Carrier Bureau

The accompanying tariff material, issued on behalf of the Ameritech Operating Companies and bearing Tariff F.C.C. No. 2, Access Service, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This material, scheduled to become effective July 1, 1990, consists of tariff pages as indicated on the following check sheets:

Tariff F.C.C. No.

2

Check Sheet Nos.

431st Revised Page 1
72nd Revised Page 1.1
78th Revised Page 1.2
104th Revised Page 1.3
92nd Revised Page 1.4
29th Revised Page 1.7

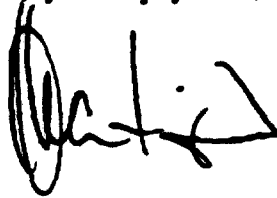
This filing, made pursuant to Section 69.3(a) of the Commission's Rules, adjusts access service rates as described in the attached supporting information.

Support material pursuant to Section 61.38 of the Federal Communications Commission's Rules and Regulations is submitted herewith and introduced meet point billing for Feature Group 8 in compliance with the Commission's Memorandum Opinion and Order, In the Matter of Access Billing Requirements for Joint Service Provision, CC Docket No. 87-579, released October 5, 1989.

- 2 -

This required filing fee, check number 03420 for \$250.00 is enclosed. Please acknowledge receipt of this transmittal on the duplicate letter attached for this purpose. All correspondence and inquiries concerning this filing should be addressed to me at the above address.

Very truly yours,

A handwritten signature in black ink, appearing to be "W. H. H.", written over the closing "Very truly yours,".

Attachments:

Duplicate Transmittal Letter
Tariff Pages
Documentation
Tariff Review Plan

Copy of Letter and Attachments concurrently delivered to:
Chief Tariff Review Branch (Public Reference Copy)
International Transcription Services, Inc.

**ACCESS SERVICE
AMERITECH OPERATING COMPANIES
TARIFF F.C.C. NO. 2**

VOLUME 5

DEVELOPMENT OF UNIT COSTS

SECTION

5.1 NONRECURRING COST DEVELOPMENT

5.1.1 NONRECURRING COSTS STUDIES FOR HIGH CAPACITY SERVICES

5.1.2 UPDATING LABOR COSTS FOR OTHER SWITCHED AND SPECIAL ACCESS SERVICE

5.2 SPECIAL ACCESS RECURRING COST DEVELOPMENT

5.2.1 GENERAL

5.2.2 DEVELOPMENT OF UNIT INVESTMENTS

5.2.3 DEVELOPMENT OF FULLY DISTRIBUTED COSTS

EXHIBITS

5-1 REGIONAL NONRECURRING COST STUDY RESULTS

5-2 BASIC LABOR RATES

5-3 SPECIAL ACCESS COST SUMMARY - 1990 UNIT COSTS

5-4 FULLY DISTRIBUTED COSTS

APPENDICES

1 TASK ORIENTED COSTING METHODOLOGY FOR HIGH CAPACITY SERVICES

ATTACHMENTS

1.1 DIRECT HIGH CAPACITY WORKFLOW

1.2 TOC NONRECURRING COST CATEGORIES

1.3 1990 SPECIAL/SWITCHED ACCESS NONRECURRING COST STUDY

AMERITECH REGIONAL NONRECURRING COST STUDY RESULTS

<u>Access Service</u>	<u>Administrative Cost per ASR</u>	<u>Design and Central Office Connection Costs per Circuit</u>	<u>Customer Connection Costs per Termination</u>
Metallic /	\$66.10	\$163.19	\$305.94
Telegraph	77.45	165.44	326.08
Direct Analog /	88.79	182.18	300.69
Dedicated Access Line	92.64	170.36	328.84
Audio Program	67.85	227.55	312.35
Direct Digital Service	91.66	276.55	355.34
High Capacity	195.64	335.60	595.78
Feature Group A	146.10	175.76	275.81
Feature Group B, C & D	192.95	290.13	12.85

ACCESS SERVICE

7. Special Access Service (Cont'd)

7.5 Rates and Charges (Cont'd)

7.5.13 Installation and Rearrangement Charges (Cont'd)

All States (Cont'd)

	Administrative Charge per order	Design and Central Office Connection Charge, per circuit	Customer Connection Charge per termination
USOC	ORCMX	NRBCL	NRBBL
Direct Digital Service - All speeds	\$50.00	\$225.00	\$300.00
Ameritech Base Rate Services - All speeds	50.00	225.00	300.00
Ameritech DS1 Service - 1.544 Mbps	50.00	225.00	300.00
Ameritech DS3 Service - 44.736 Mbps	50.00	250.00	425.00
Ameritech OC-3 Service - 155.52 Mbps	50.00	500.00	600.00
Ameritech OC-12 Service - 622.08 Mbps	50.00	500.00	600.00
		USOC	Nonrecurring Charge
Hub Rearrangement Record Charge			
- Per Ameritech DS3 to Ameritech DS1 Multiplexer Rearranged		NRBH1	\$1,000.00
- Per Ameritech DS1 to Voice/Ameritech Base Rate Multiplexer Rearranged		NRBH1	160.00

(TR743)

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Director, Federal Regulatory, 4F20
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ACCESS SERVICE

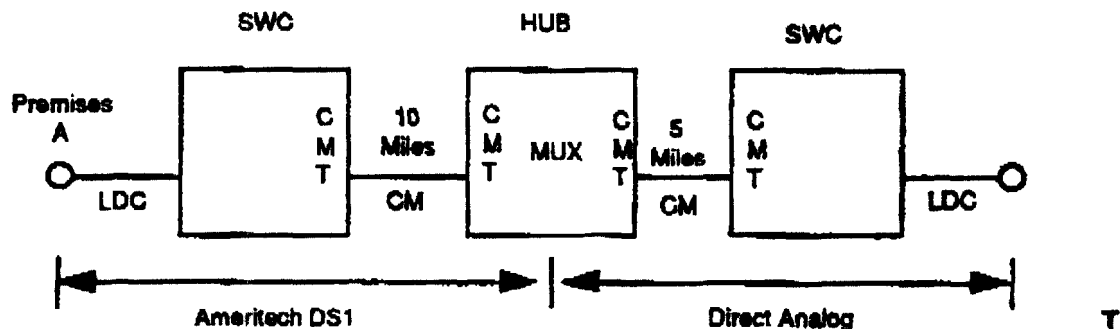
7. Special Access Service (Cont'd)

7.1 General (Cont'd)

7.1.3 Service Configuration (Cont'd)

(A) Two-Point Service (Cont'd)

The following diagram depicts a two-point service, with Premises A served by Ameritech DS1 Service and Premises B served by Direct Analog Service, multiplexed at an Intermediate Hub located 10 miles from the serving wire center for Premises A and 5 miles from the serving wire center for Premises B.



LDC - Local Distribution Channel
CMT - Channel Mileage Termination
CM - Channel Mileage
MUX - DS1 to Voice Multiplexing
SWC - Serving Wire Center

Applicable rate elements are:

- Local Distribution Channel
1 Ameritech DS1
1 Direct Analog
- Channel Mileage Termination
2 Ameritech DS1
2 Direct Analog
- Channel Mileage
10 Ameritech DS1
5 Direct Analog
- Multiplexing
1 Ameritech DS1 to Voice/Base Rate

NRC example:
12 direct analog
circuits delivered
to Premises via
a DS1.

1 Admin
12 Analog design & CO
1 DS1 design & CO
12 Analog customer
connection
1 DS1 customer
(TR706) connection

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ACCESS SERVICE

7. Special Access Service (Cont'd)7.4 Rate Regulations (Cont'd)7.4.1 Types of Rates and Charges (Cont'd)(C) Nonrecurring Charges

Nonrecurring charges are one-time charges that apply for specific work activity (i.e., installation of new services and rearrangements of installed services). The nonrecurring charges that apply for installation of Special Access Service are described in (1) through (3), following. Application of nonrecurring charges for service rearrangements is described in (6), following.

Certain optional features and functions also have separate installation nonrecurring charges as described in (4), following. There are also separate nonrecurring charges for circuit record work associated with hub rearrangements. Applications of these charges is described in (5), following.

(1) Administrative Charge

The Administrative Charge applies any time a customer initiates an order for service. This charge applies once per customer order, as described in Section 5.1 preceding. Administrative Charges for Special Access Service are set forth in 7.5.13 following.

(2) Design and Central Office Connection Charge

The Design and Central Office Connection Charge applies to each service installed, and is charged once per circuit. The nonrecurring charges for design and central office connection are set forth in 7.5.13 following.

(3) Customer Connection Charge

The Customer Connection Charge applies to each service installed, and is charged once per Local Distribution Channel. The nonrecurring charges for customer connection are set forth in 7.5.13 following.

If a single order involves 500 or more terminations at the same location on the same customer requested date, the individual nonrecurring charges for the services provided will not apply, except for the Administrative Charge. The customer will be notified and will be provided

Certain material previously on this page now appears on Original Page 298.1.

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ACCESS SERVICE

7. Special Access Service (Cont'd)

7.4 Rate Regulations (Cont'd)

7.4.1 Types of Rates and Charges (Cont'd)

(C) Nonrecurring Charges (Cont'd)

with an estimate of the design and installation charges involved based on the specific work to be performed. Such charges will be determined and billed to the customer as follows:

To calculate the labor charges, the Telephone Company will keep track of the labor hours used to meet the request of the customer and bill the customer at the applicable Additional Labor charges as set forth in 13.2.6 following for engineering, and 13.1.1 following for labor and testing.

An estimate of total charges will be provided to the customer, along with a request for authorization to incur the costs. Work will not proceed until authorization is received from the customer. Total charges will not exceed the estimate by more than 10 percent, nor will they exceed the standard nonrecurring charges which would otherwise apply.

(4) Installation of Optional Features and Functions

Nonrecurring charges apply for the installation of some of the optional features and functions available with Special Access Service. The charge applies whether the feature or function is installed coincident with the initial installation of service or at any time subsequent to the installation of the service.

The optional features for which nonrecurring charges apply are:

- Direct Analog Service Data Capability
- Direct Analog Service Improved Attenuation Distortion
- Direct Analog Service Improved Envelope Delay Distortion
- Direct Analog Service Telephoto Capability
- Ameritech DS1 Clear Channel Capability
- Program Audio Gain Conditioning
- Program Audio Stereo
- Wideband Data Transfer Arrangement

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(TR706)

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ACCESS SERVICE

7. Special Access Service (Cont'd)7.4 Rate Regulations (Cont'd)7.4.1 Types of Rates and Charges (Cont'd)(C) Nonrecurring Charges (Cont'd)(6) Service Rearrangements

Service rearrangements are changes to existing (installed) services which do not result in either a change in the minimum period requirements as set forth in 5.2.5 preceding or a change in the physical location of the point of termination at a customer or customer's end user premises. Changes which result in the establishment of new minimum period obligations are treated as disconnects and starts.

Changes in the physical location of the point of the termination are treated as moves and are described and charged for as set forth in 7.4.5 following.

The charge to the customer for the service rearrangement is dependent on whether the change is "records only" in nature or involves actual physical change to the service.

Certain "records only" changes will be made without charge(s) to the customer. Such changes require the continued provision and billing of the Access Service to the same entity (i.e., customer remains responsible for all outstanding indebtedness for the Access Service). Following are examples of "records only" changes:

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ACCESS SERVICE

7. Special Access Service (Cont'd)

7.4 Rate Regulations (Cont'd)

7.4.1 Types of Rates and Charges (Cont'd)

(C) Nonrecurring Charges (Cont'd)

(6) Service Rearrangements (Cont'd)

- Change of customer name (i.e., the customer of record does not change but rather the customer of record changes its name -- e.g., AT&T Long Lines to AT&T - Communications),
- Change of customer premises or customer's end user premises address when the change of address does not require a physical relocation of equipment,
- Change in billing data (name, address, or contact name or telephone number or Optional Payment Plan information),
- Change of customer or customer's end user contact name or telephone number.

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All other service rearrangements will be charged for as follows:

- If a change involves a change of the customer of record (i.e., Access Service is provided and billed to a different entity) and no physical relocation or rearrangement of the service is required, the Administrative Charge will apply. For the change of customer of record to be treated as a service rearrangement, the new customer must assume liability for both current and prior charges for the service.
- If the change involves the addition of one or more legs to an existing multipoint service, one Design and Central Office Connection Charge associated with the Special Access Service will apply, regardless of the number of legs added. One Customer Connection Charge will apply only for each leg that is being added. One Administrative Charge will also apply.

ACCESS SERVICE

7. Special Access Service (Cont'd)

7.4 Rate Regulations (Cont'd)

7.4.1 Types of Rates and Charges (Cont'd)

(C) Nonrecurring Charges (Cont'd)

(6) Service Rearrangements (Cont'd)

- If a change involves the addition of Optional Features and Functions with separate nonrecurring charges for any service except Ameritech DS3 Service, the Design and Central Office Connection Charge and the Customer Connection Charge associated with the Special Access Service will apply in addition to the separate nonrecurring charge. The Administrative Charge will also apply.

- If a change involves the Optional Fiber Hub Cross-connection Service for Ameritech DS3, Ameritech DS1 or DS0 (Ameritech Base Rate and Direct Analog) service, the Administrative Charge will apply in addition to the separate nonrecurring charge. No other nonrecurring charges will apply.

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- If a change involves the addition of Optional Features and Functions without separate nonrecurring charges for any service except Ameritech DS3 Service, the Design and Central Office Connection Charge and the Customer Connection Charge associated with the Special Access Service will apply. The Administrative Charge will also apply. This includes, but is not limited to, the inclusion of existing Ameritech DS3, Ameritech DS1 and Ameritech Base Rate Services in the customer's Ameritech Reconfiguration Service (ARS) database.

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- If a change involves the removal of Optional Features and Functions, either with or without separate nonrecurring charges, the Design and Central Office Charge and the Administrative Charge associated with the Special Access Service will apply.

- If a change involves the rearrangement of an existing point-to-point Ameritech DS1 or DS3 service onto a higher speed Ameritech digital service at a facility hub, or cross-connection to an interconnection arrangement in the same central office via Electronic Cross-Connection Service described in Section 16.4, following, the Administrative Charge and the Design and Central Office Connection Charge will apply. If a customer specifically requests end-to-end testing, then a Customer Connection Charge will also apply.

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If a change involves the rearrangement of an Ameritech OC-3 or Ameritech OC-12 from point-to-point service to an arrangement with Add/Drop Multiplexing functionality, an Administrative Charge and Design and Central Office Connection Charge will apply.

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y Material effective September 5, 1993 under Transmittal No. 724.

w Material effective September 20, 1993 under Transmittal No. 728.

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ACCESS SERVICE

7. Special Access Service (Cont'd)

7.4 Rate Regulations (Cont'd)

7.4.1 Types of Rates and Charges (Cont'd)

(C) Nonrecurring Charges (Cont'd)

(6) Service Rearrangements (Cont'd)

- If a change is made in payload mapping within an Ameritech OC-3 or Ameritech OC-12 package, this change will require a redesign of the Ameritech OC-3 or Ameritech OC-12, and an Administrative Charge and Design and Central Office Connection Charge will apply.
- If the change involves a change in the type of signaling on a Direct Analog Service, the Design and Central Office Connection Charge and the Customer Connection Charge associated with Direct Analog Service will apply. The Customer Connection Charge will apply per LDC affected. The Administrative Charge will also apply.
- If the Priority Restoration (PR) Level is changed on a Telecommunications Service Priority System service, the PR Level Change Charge will apply. The Administrative Charge will also apply.

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ACCESS SERVICE

7. Special Access Service (Cont'd)

7-4 Rate Regulations (Cont'd)

7.4.1 Types of Rates and Charges (Cont'd)

(C) Nonrecurring Charges (Cont'd)

(6) Service Rearrangements (Cont'd)

- For all other changes which require physical work to be performed, one Design and Central Office Connection Charge and one Customer Connection Charge per LDC will apply. The Administrative Charge will also apply.
- For all other changes not requiring physical work at the central office or customer premises, including a change in the customer assigned circuit identification, billing account number (when initiated by the customer), jurisdiction without a physical rearrangement of facilities, or customer assigned test line number, the Administrative Charge will apply.

Only one such charge will apply per order. If the rearrangements are initiated by the Telephone Company, or if the rearrangements are necessary to conform Telephone Company records to MECAB or MECOD requirements for jointly provided services, no charge will apply.

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Certain material on this page previously appeared on 1st Revised Page 300.1 and 1st Revised Page 300.2.

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